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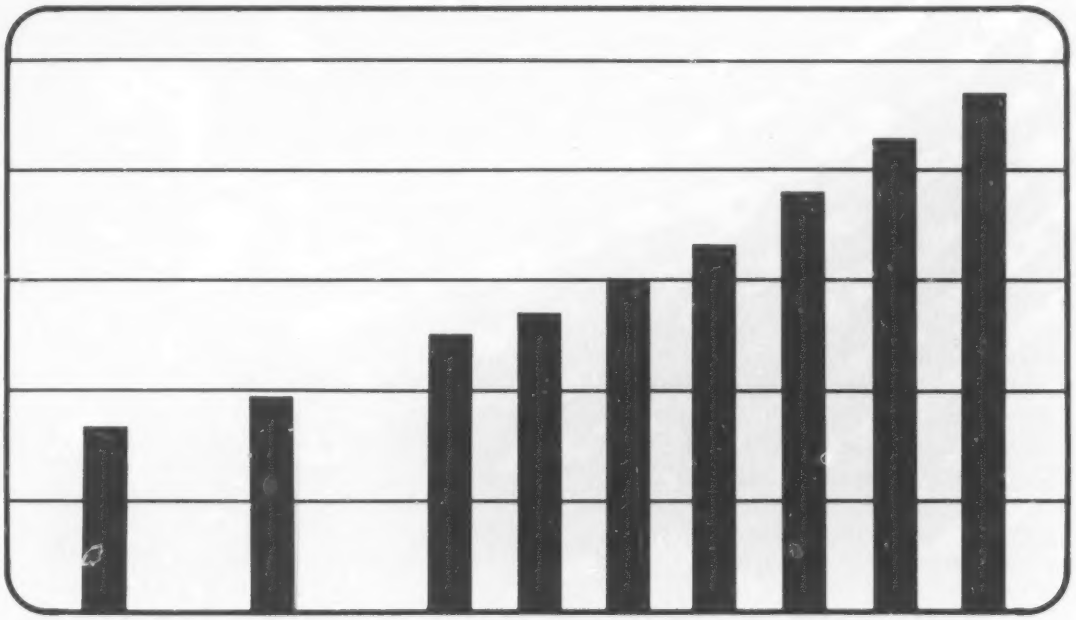
SALARY CHARACTERISTICS 1984



NATIONAL ASSOCIATION OF BUSINESS ECONOMISTS
28349 Chargin Blvd., Suite 201
Cleveland, Ohio 44122

1984 Salary Characteristics

Highlights

- The median base salary of 1,503 responding NABE members in the 1984 salary survey is $47,000, up 9.3% from the median reported in the 1982 survey. Half reported incomes between $35,000 and $60,000. Almost 12% of the respondents reported base salaries of more than $80,000.

- 209 female respondents reported a median salary of $40,000. The female median was up 14.3% over the 1982 salary survey. Female respondents' median was 82% of male respondents, compared to 78% in 1982, and 74% in 1980.

- Additional compensation from their primary employment in 1983 was reported by half of the respondents. The median amount was $6,000, down from $6,723 in the 1982 survey.

- Professional income from secondary employment in 1983 was reported by 29% of the respondents. The median amount was $4,000, up from $3,000 in the 1982 survey.

- Economists in the area of general administration-economist again commanded the highest median salary of $57,000, followed by general administration with a median of $52,000. Teaching and statistician had the lowest median base salaries of $34,000 and $36,000 respectively.

- Both base salary and additional primary income rose progressively with the number of people supervised by the business economist. Economists working in the largest firms had the highest compensation, although the second highest compensation was at the smallest firms in terms of number of employees. Those economists supervising 25 or more had a median base salary of $66,000 and a median additional primary income of $12,000.

- Eighty-eight percent of the respondents held an advanced degree. The highest salary were those who had completed a Ph.D., with a median of $53,000. Second highest were those with all but dissertation. There was little difference between median salaries of those with Bachelors and Masters degrees. Generally, the higher the degree, the higher the salary.

- Business economists with a Ph.D. and 0 to 4 years of experience had a median base salary of $40,000, up from $35,000 in the 1982 survey. This compared to $33,600 median salary for those respondents with all but dissertation and 0 to 4 years of experience, and a $30,500 median for respondents with a Masters degree and 0 to 4 years of experience. Those with a Bachelors degree and 0 to 4 years of experience reported a median salary of $28,070.

- Primary employment income varied directly by years of professional experience. By the time the economist had 10-14 years of experience, the average business economist had surpassed the median income of the profession.

- By industry, the highest paid business economists were in mining, retail and wholesale trade, and securities and investments. The lowest paid base salaries were in academics, transportation, and publishing.

- By location, economists who reported their region as New England had the highest median base salary. This was followed in order by the Middle Atlantic and South Atlantic states. Houston and New York City ranked as the top two cities in median business economist salaries.

Survey Background

In the spring of 1984, the National Association of Business Economists queried its membership on salary and other occupational data details. Questionnaires were mailed to 3,491 NABE members, and 1,503 useable returns were received. This represented a 43% response and, while down from 1982's 48.5% return, provided a good cross-section of the NABE membership.

Members were asked to report their current (1984) base annual earnings. Base earnings were defined as salary from primary employment before reductions for income taxes, social security, etc.

In addition to their base salary, respondents were asked to report 1983 income from two other sources: (1) additional gross compensation from primary employment, and (2) secondary professional income.

Additional gross compensation from primary employment was defined as cash bonuses, profit sharing, etc., before deductions and excluding non-invested income and retirement benefits.

Secondary professional income was defined to include gross cash income from royalties, directors and other fees, honoraria, etc., excluding non-invested income.

Respondents also were asked to report on various aspects of their employment, including the principal

area of their responsibility, sex, size of firm, number of persons supervised, education, years of experience, and location.

The following text and tables present the survey findings. The term "median" refers to the middle amount reported in an array of all amounts for that group. The term "mode" refers to the most frequently reported number given in an array of amounts for that group, but is useful only when the size of the group is significantly large.

Basic Salary

The median base salary as of the spring of 1984, reported by 1,503 business economists, was $47,000, with the mode, or most commonly mentioned salary, $40,000. 232 of the respondents were reported located in the New York City area, and these reported a median salary of $56,000 and mode of $60,000. The percentage of New York respondents to the total continued its decline of recent surveys. These economists now represent 15.4% of respondents, down from 16.4% in 1982, 18.3% in 1980, 19.4% in 1978, 20.9% in 1976, and 22.7% in 1974. The $9,000 margin which existed between economists in New York and those located elsewhere was up from the $7,000 gap reported in 1982. (See Table 1.)

The 209 female respondents represented 13.9% of the total, down slightly from 14.7% in 1982, but up from 11.3% in 1980, 9.5% in 1978, and 7.2% in 1976. The median base salary was $40,000; $44,443 for the 52 located in New York and $37,000 for the 157 located outside of New York. Female respondents' median salary was 82% of male respondents', compared to 78% in 1982 and 74% in 1980.

TABLE 1

PERCENTAGE DISTRIBUTION OF BASE SALARY BY INCOME CLASS

Base Salary	Total	New York	Other
Under 25	4.1	3.0	4.3
25-29.9	5.9	2.6	6.5
30-34.9	10.0	5.6	10.9
35-39.9	11.6	7.8	12.4
40-44.9	12.0	11.2	12.1
45-49.9	10.2	7.3	10.8
50-54.9	9.6	6.0	10.3
55-59.9	6.5	9.5	5.9
60-64.9	6.5	9.1	6.0
65-69.9	4.7	3.9	4.9
70-74.9	4.1	3.9	4.1
75-79.9	3.1	4.3	2.9
80-84.9	2.3	4.7	1.8
85-89.9	1.3	3.4	0.9
90-94.9	1.5	2.2	1.4
95-99.9	0.7	0.9	0.6
100 and over	5.9	14.7	4.2
Median	47,000	56,000	46,000
Mode	40,000	60,000	50,000

Additional Compensation*

The additional compensation relates to the year 1983. Fifty percent of all respondents received additional compensation related to their primary employment. The median amount of additional income was $6,000 or 12.8% of the median base salary (1983 additional income as a percent of early 1984 base salary).

Professional income from secondary employment was reported by 29% of all respondents. The median secondary income amounted to $4,000 or 8.5% of the median base salary. Table 3 shows the summary data on additional compensation for male and female respondents.

*See Survey Background section for additional compensation definitions.

Compensation By Industry

Table 4 shows the distribution of base salary among income classes by industry of employment. Economists in the mining, retail and wholesale trade, and securities and investments ranked highest in 1984 with median base salaries of $59,000 in the first category and $55,000 in the later two. The largest number of respondents were in banking, where the median salary was $50,000 and the mode $55,000.

TABLE 2

BASE SALARY
MALE AND FEMALE

	Number of Respondents	Median Amount
Male - Total	1,294	$49,000
New York	180	60,000
Other	1,114	47,100
Female - Total	209	40,000
New York	52	44,443
Other	157	37,000

TABLE 3

ADDITIONAL COMPENSATION
MALE AND FEMALE

	Number of Respondents	Median Amount	Mode
Additional Primary Income			
Male	654	$6,000	$5,000
Female	99	5,000	5,000
Professional Secondary Income			
Male	407	4,000	2,000
Female	30	2,050	1,000

Lowest paid, according to the 1984 salary characteristics, were economists working in the fields of academics, transportation, and publishing, although the sample for the latter two was extremely small.

Median additional 1983 compensation related to primary employment varied from $10,000 in the securities and investment and construction areas to $3,000 in communications and utilities.

Other professional income was in a median range of $2,000 to $7,600 with economists in academics, consulting, securities and investment, and mining at the high end of the range. Government economists ranked lowest in secondary income. Table 5 shows additional compensation by industry.

Compensation By Area of Responsibility

Respondents were asked to indicate which of twelve areas of responsibility best described their jobs. Table 6 shows the median base salaries, additional primary income, and professional secondary income of these responsibilities. Economists stated their primary area of responsibility as general administration-economist earned the highest median base salary of $57,000, median additional primary income of $8,000, and $3,750 in professional secondary income, although the number of respondents in each area fell from 194 to 96 to 62, respectively.

Respondents describing their jobs as that of teaching, and statistician had the lowest median salaries. This pattern is similar to the results shown in the past five surveys.

The largest number of respondents described their responsibility area as corporate planning, followed by general administration-economist, and financial economist. The fewest number of respondents described their area of responsibility as statistician and econometrician.

Primary Compensation By Size of Firm

Economists at firms with both the largest and smallest number of employees, about an equal number of respondents, earned the highest levels of

Table 5

ADDITIONAL COMPENSATION BY INDUSTRY OF EMPLOYMENT

Industry	Additional Primary Number of Respondents	Income Median	Professional Secondary Number of Respondents	Income Median
Durable Manufacturing	98	$ 5,500	33	$3,000
Nondurable Manufacturing	73	5,000	28	2,750
Retail & Wholesale Trade	15	7,960	*	2,500
Banking	145	6,000	68	2,500
Securities & Investment	80	10,000	34	5,000
Insurance	25	5,000	12	4,000
Communications & Utilities	44	3,000	23	3,000
Publishing	19	4,000	*	*
Transportation	12	5,000	*	3,500
Mining	11	4,000	*	5,000
Construction	*	*	*	*
Real Estate	*	10,000	*	*
Consulting	103	8,500	46	5,000
Nonprofit Research	*	*	19	4,000
Trade Association	13	3,500	11	2,500
Government	17	5,700	21	2,000
Academic	53	5,000	98	6,000
Other	35	7,000	16	7,600

*Distribution withheld

TABLE 4

BASE SALARY BY INCOME CLASS BY INDUSTRY OF EMPLOYMENT
PERCENTAGE DISTRIBUTION, MEDIANS AND MODES
THOUSANDS OF $

	Under 35	35-39.9	40-44.9	45-49.9	50-54.9	55-59.9	60-64.9	65-69.9	70-74.9	75-79.9	80 & Over	Median	Mode	Number of Respondents
Durable Manufacturing	10.7	13.4	11.8	12.4	10.8	10.2	9.1	5.9	3.2	2.2	10.2	50.0	60.0	186
Nondurable Manufacturing	10.8	7.2	9.9	12.6	11.7	8.1	7.2	2.7	11.7	4.5	13.5	54.0	55.0	111
Retail and Wholesale Trade	22.2	11.1	7.4	*	7.4	3.7	11.1	7.4	11.1	7.4	11.1	55.0	70.0	27
Banking - All types	19.5	7.2	10.0	10.4	7.7	9.0	8.6	5.4	5.9	2.7	13.6	50.0	55.0	221
Securities and Investments	18.2	8.6	6.7	*	11.4	7.6	*	6.7	3.8	4.8	26.8	55.0	50.0	105
Insurance	17.4	8.7	8.7	13.0	13.0	*	*	8.7	6.5	*	15.2	50.5	65.0	46
Communications and Utilities	18.9	15.2	19.7	18.2	5.3	6.8	3.0	3.8	*	*	5.4	44.4	42.0	132
Publishing	18.5	18.5	18.5	*	14.8	7.4	7.4	*	*	*	7.4	40.5	40.0	27
Transportation	20.6	11.8	23.5	17.6	14.7	*	5.9	*	*	*	2.9	40.3	40.0	34
Mining	17.4	4.3	4.3	4.3	4.3	4.3	4.3	8.7	13.0	4.3	13.0	59.0	70.0	23
Construction	9.1	9.1	9.1	18.2	9.1	*	9.1	*	18.2	9.1	*	50.0	50.0	11
Real Estate	23.1	*	15.4	7.7	7.7	23.1	*	*	*	*	15.4	52.0	100.0	13
Consulting	21.8	10.0	7.6	8.2	12.4	2.9	6.5	2.9	*	*	22.9	50.0	50.0	170
Nonprofit Research Organization	25.0	19.4	8.3	5.6	8.3	5.6	8.3	*	5.6	5.6	8.4	41.5	36.0	36
Trade Association	19.0	9.5	11.9	14.3	7.1	*	9.5	7.1	*	9.5	9.5	48.5	37.0	42
Government	24.8	11.9	11.9	13.8	9.2	6.4	7.3	11.9	*	*	*	45.5	66.0	109
Academic	46.2	18.5	16.9	4.6	5.4	*	*	*	*	*	*	35.0	35.0	130
Other	13.6	13.6	16.0	9.9	12.3	9.9	4.9	2.5	6.2	3.7	7.4	48.0	50.0	81

Distribution withheld

median base salaries, according to the 1984 salary survey. Outside of the largest firms, those with 10,000 and over, there does not seem to be a close relationship between the size of the firm and salary earned. Those economists at the largest firms earned a median base salary of $54,300 in early 1984, with 55% earning $6,000 or 11% in additional primary income.

Firms with fewer than 500 employees earned a median base salary of $48,000. 53% of economists working at those firms earned additional $10,000 in primary income, or 20.8% of their base. (See Table 7.)

TABLE 6

COMPENSATION BY AREA OF RESPONSIBILITY

	Base Salary		Additional Primary Income		Professional Secondary Income	
	Number Reporting	Median	Number Reporting	Median	Number Reporting	Median
Corporate Planning	229	$50,500	120	$ 8,750	51	$3,000
Econometrician	40	36,700	13	2,400	*	2,000
Energy Economist	59	46,800	30	5,000	12	3,957
Financial Economist	169	50,000	96	5,150	54	4,000
General Administration	90	52,000	54	10,000	25	5,000
General Administration - Economist	194	57,000	96	8,000	62	3,750
Industrial Economist	109	46,000	54	4,000	26	2,525
International Economist	55	51,360	26	7,000	19	5,000
Macro Forecaster	126	50,000	72	8,000	34	3,000
Marketing Research	108	40,000	44	4,000	19	2,500
Statistician	15	36,000	*	3,000	*	*
Teaching	107	34,000	45	5,000	77	6,000
Other	202	47,000	96	9,000	53	4.000

*Distribution withheld

TABLE 7

PRIMARY COMPENSATION BY SIZE OF FIRM

Firm Employment	Base Salary Number Reporting	Base Salary Median	Additional Primary Income Number Reporting	Additional Primary Income Median
0 - 499	396	$48,000	211	$10,000
500 - 999	82	45,000	50	5,000
1,000 - 2,499	154	45,400	80	5,000
2,500 - 4,999	126	47,000	71	6,000
5,000 - 9,999	102	48,000	50	5,500
10,000 & over	402	54,300	222	6,000
No response	241	39,000	71	*

Primary Compensation By Number Of Persons Supervised

Once again, the size of the operation managed by the business economist correlates directly with base salary, as illustrated in Table 8. Similarly, the level of additional primary income rises as the size of the reporting staff increases. The highest salaries were paid to economists supervising 25 or more people, with a median base salary of $66,000 and $12,000 additional primary income for those reporting such income. However, 84% of those responding to the survey reported supervising nine or fewer people.

TABLE 8

PRIMARY COMPENSATION BY NUMBER OF PERSONS SUPERVISED

	-----Base Salary------		-Additional Primary Income-	
Number Supervised	Number Reporting	Median	Number Reporting	Median
None	418	$37,100	155	$ 4,000
1 to 3	565	46,500	293	6,000
4 to 9	275	55,000	170	8,275
10 to 24	150	62,250	84	10,000
25 & over	89	66,000	51	12,000
No response	6	---	2	---

Primary Compensation By Level of Education

Eighty-eight percent of the respondents reported additional education beyond the Bachelors degree, with 34.1% of all respondents having completed the Ph.D. Those with Ph.D. degrees had a median base salary of $53,600, up from $43,000 in the 1982 survey. The second highest median income was reported by respondents with all but dissertation, $50,000. Those business economists with a Masters had a median base salary of $43,000, up from $40,000 in 1983. Economists reporting a Bachelors degree as their highest degree obtained had a median base salary of $44,000, up sharply from $37,500 reported in the 1982 salary survey.

Business economists with 0 to 4 years of experience earned a median base salary of $40,000 with a Ph.D., $33,600 with all but dissertation, $30,500 with a Masters, and $28,070 with a Bachelors degree. Because of the relatively small number of respondents in each category, no reliable breakdown can be done by city or other characteristic.

TABLE 9

PRIMARY COMPENSATION BY EDUCATION

	-----Base Salary------		-Additional Primary Income-	
Highest Degree Obtained	Number Reporting	Median	Number Reporting	Median
Bachelors	169	$44,000	88	$ 5,000
Masters	638	43,000	324	5,500
PH. D.	513	53,600	244	6,527
All But Dissertation	174	50,000	93	8,000
No Degree	9	47,500	*	*

*Distribution withheld

Primary Compensation By Years of Experience

As might be expected, there is a direct correlation between economist's income and years of professional experience. As Table 10 indicates, those respondents with 10 to 14 years of experience have surpassed the median base salary of all respondents ($47,000, Table 1) and have matched the median amount of additional primary income ($6,000, Table 13). Those economists with 25 years or more of professional experience commanded a median base salary of $66,000, about double the salary of those reporting 0 to 4 years of experience, and a median base additional primary income of $11,970.

TABLE 10

PRIMARY COMPENSATION BY YEARS OF PROFESSIONAL EXPERIENCE

	Base Salary			Additional Primary Income		
Years	Number Reporting	Median	Mode	Number Reporting	Median	Mode
0 to 4	275	$32,850	$30,000	104	$ 3,500	$3,000
5 to 9	374	42,000	40,000	178	5,000	5,000
10 to 14	345	50,000	60,000	181	6,000	5,000
15 to 19	183	55,000	55,000	105	8,000	5,000
20 to 24	124	59,500	50,000	74	7,250	2,000
25 & over	198	66,000	100,000	113	11,970	10,000
No response	4	*	*	*	*	*

*Distribution withheld

Base Salary By Location

Among major U.S. cities, median salaries were highest in Houston and New York City. (See Table 11.) Lowest median salaries were in Cleveland, Detroit, and the other city classification. Over the years, however, income variation between cities has narrowed.

By region of the United States, the highest paid business economists were in the New England states (Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut), followed by Middle Atlantic states (New York, New Jersey, and Pennsylvania). The lowest paid were in the East South Central states (Kentucky, Tennessee, Alabama, and Missouri). (See Table 12.)

TABLE 11

SALARY BY LOCATION

	Number Reporting	Base Median
Atlanta	20	$50,000
Boston	54	50,000
Cleveland	36	40,000
Chicago	76	47,850
Dallas	26	51,000
Detroit	44	45,750
Houston	28	58,000
Los Angeles	62	48,000
New York City	232	56,000
Philadelphia	51	49,000
Pittsburg	27	50,000
San Francisco	46	51,500
Washington, D.C.	129	53,600
Other	672	43,375

TABLE 12

BASE SALARY BY REGION

Region	Number Reporting	Median
New England	121	$53,700
Middle Atlantic	382	50,450
East North Central	281	44,000
West North Central	97	44,000
South Atlantic	225	50,000
East South Central	24	39,098
West South Central	96	47,000
Mountain	59	40,000
Pacific	175	46,400
Foreign	41	49,000
No response	2	---

Salary Trends

This is the ninth salary and occupational survey conducted by NABE. Efforts have been made to keep the classifications as consistent as possible for comparison with previous years. Table 13 and the accompanying chart illustrate the median income reported by the surveys together with the number of respondents each year.

Table 14 shows the industry distribution of survey respondents for the last six surveys. It is interesting to observe how changes occur in these sectors.

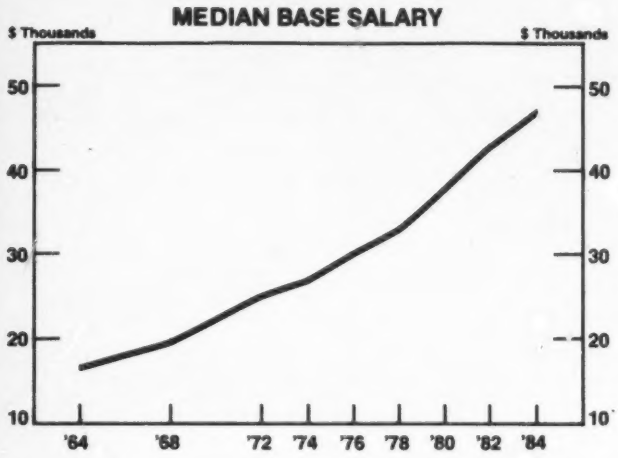


TABLE 13

SALARY TRENDS

Year	Number Reporting	Medians: Base Salary	Medians: Additional Primary Income
1964	445	$16,800	1
1968	553	19,600	1
1972	993	25,000	$3,000[2]
1974	1,072	27,000	4,000[2]
1976	1,159	30,000	4,000[2]
1978	1,402	33,000	4,500[2]
1980	1,430	38,000	5,000[2]
1982	1,644	43,000	6,723[2]
1984	1,503	47,000	6,000[2]

[1]Not reported

[2]For year prior to survey date

TABLE 14

INDUSTRY DISTRIBUTION
SALARY SURVEY

	1984	1982	1980	1978	1976	1974
Manufacturing	19.8	21.2	23.4	26.9	26.2	26.6
Banking	14.7	15.2	16.7	16.8	18.3	16.4
Securities and Investment	7.0	6.0	6.3	5.9	6.7	10.5
Life Insurance	3.0	3.8	3.7	2.9	3.5	4.0
Communications and Utilities	8.8	7.4	6.6	6.0	6.0	6.0
Business Services	11.3	11.6	8.2	7.5	7.3	7.2
Trade Association	2.8	2.7	3.1	4.3	4.7	5.5
Transportation	2.3	2.0	1.7	2.2	2.2	2.0
Publishing	1.8	1.3	1.7	1.5	1.3	1.6
Government	7.3	6.9	6.0	5.5	4.9	5.1
Retail and Wholesale Trade	1.8	1.5	1.5	2.0	1.9	2.0
Academic	8.6	7.7	8.0	7.3	6.4	4.9
Mining	1.5	1.5	1.6	1.1	1.3	2.3
Construction	0.7	0.7	0.7	0.5	0.8	0.8
Real Estate	0.9	1.2	0.7	0.6	0.4	0.6
Nonprofit Research	2.4	2.2	2.4	2.9	2.8	2.5
Other	5.3	7.1	7.7	6.1	5.4	2.0